

Message Text

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INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

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FM AMCONSUL PARAMARIBO

TO SECSTATE WASHDC 1676

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TAGS: EIND, NS

SUBJECT: GON DEVELOPMENT MINISTER DISCUSSES NATIONALIZATION
OF SURINAM BAUXITE INDUSTRY

FOLLOWING IS UNOFFICIAL TRANSLATION OF SUMMARY OF AN INTERVIEW
OF GON DEVELOPMENT MINISTER PRONK ON JUNE 1 ON A NETHERLAND
RADIO PROGRAM, AS REPORTED BY LOCAL WIRE SERVICE:

MINISTER OF DEVELOPMENT ASSISTANCE PRONK THINKS THAT THE
NATIONALIZATION OF, AMONG OTHERS, THE BAUXITE INDUSTRY IN
SURINAM IS NOT THE EASIEST ROAD AND WOULD EVEN ADVISE AGAINST
IT. THE PROBLEM IS IN THE FIRST PLACE THAT SURINAM CAN GO
FURTHER UNDER ITS OWN POWER THE LESS DEPENDENT SHE IS ON
IMPORTS AND FOREIGN CAPITAL, AND THERE ARE DEFINITE POSSIBIL-
ITIES OF THIS. (SIC)

HE SAID THAT LAST YEAR SHORTLY BEFORE THE DEN UYL CABINET
TOOK OFFICE A REPORT APPEARED BY THE PVDA, D'66 AND PPR WHICH
SPOKE OF THE FUTURE SOCIAL-ECONOMIC DEVELOPMENT OF SURINAM.
THE REPORT ALSO PROPOSED AS AN AIM ASSISTANCE TO FURTHER THE
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ECONOMIC CAPACITY OF SURINAM BY ENABLING THE GOVERNMENT IN

PARAMARIBO TO BUY UP FOREIGN ENTERPRISES; TO BUY SHARES SO THAT THEY BECOME PARTIALLY GOVERNMENT ENTERPRISES. THIS REPORT ALSO SAID THAT THIS SHOULD BE FINANCED ONLY WITH NETHERLANDS ASSISTANCE FUNDS. "I STILL SHARE THAT OPINION" SAID MINISTER PRONK.

"BUT IT IS NATURALLY THE SURINAM GOVERNMENT WHICH MUST MAKE THAT KIND OF POLITICAL DECISION."

IN ORDER TO PREVENT A CHILI-EFFECT THE SURINAM GOVERNMENT MUST BE EXTREMELY CAUTIOUS. "MUCH MORE CAUTIOUS THAN ALL THE OTHER DEVELOPING COUNTRIES. SURINAM IS AN EXTREMELY SMALL COUNTRY WITH A VERY SMALL POPULATION. THIS MEANS THAT THE ECONOMIC STRENGTH OF THAT COUNTRY WILL ALWAYS BE LESS THAN THE ECONOMIC STRENGTH OF THE FOREIGN ENTERPRISES. THIS ALSO MEANS IN MY OPINION THAT A LEVEL OF ECONOMIC COOPERATION SHALL HAVE TO REMAIN BETWEEN THE NETHERLANDS AND SURINAM IN THE FUTURE."

"IF THE SURINAM GOVERNMENT DECIDES IN FAVOR OF NATIONALIZATIONS IN, FOR EXAMPLE, THE BAUXITE INDUSTRY THEN I WOULD NOT BE NEGATIVE, BUT WOULD EVEN GIVE POSITIVE SUPPORT. THERE HAVE BEEN SO FAR TOO MANY RICH COUNTRIES IN THE WORLD WHO ABANDON DEVELOPING COUNTRIES AS SOON AS THESE TAKE NATIONALIZATION MEASURES. THIS IS NOT THE POLICY OF THE NETHERLANDS GOVERNMENT AND THE GOVERNMENT SHALL TAKE NO COUNTERMEASURES AGAINST IT. BUT IN MY OPINION THE SURINAM GOVERNMENT SHALL HAVE TO BE VERY CAREFUL."

PRONK ALSO SAID HE WOULD TRAVEL TO SURINAM ON JUNE 16 TO BEGIN SOCIAL DEVELOPMENT PLANNING WHICH WAS DISCUSSED BY THE 3 PRIME MINISTERS DURING THE SUMMIT.

PRONK COULD NOT SAY HOW MUCH ASSISTANCE THE NETHERLANDS WOULD PROVIDE SURINAM IN THE FUTURE (NOW ABOUT NF127 MILLION PER YEAR). THAT WILL BE DETERMINED ON THE BASIS OF ("AND THAT MAY BE AMBITIOUS") A SOCIAL-ECONOMIC DEVELOPMENT PLAN THAT COULD BE EXTENDED OVER MANY YEARS.
JOHNSTON

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